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ABSTRACT

A description of reduction in force (RIF) planning as undertaken by Pennsylvania State University is presented. It is suggested that because a university is a system, adjustments to personnel functions must follow systemic rationale to be successful. It is proposed that RIF planning is a personnel planning process that can be evaluated by using universal values, responsibilities, and differentiation of personnel systems. Responsibilities of the university president, budget office, and academic units for implementing RIF, values that shape personnel systems, and the needs for adjustments in personnel forces at all levels are considered. It is noted that although specific circumstances vary from one college or organization to another and from one time to another for each organization, the formulation of plans and their continued revision and updating are indispensible activities for organization executives. A large organization, such as the Pennsylvania State University, can have departments with especially trained staff to provide planning data and analyses. (SW)

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PLANNING FOR REDUCTION IN FORCE IN INSTITUTIONS OF HIGHER EDUCATION

By Melvin E. Westerman

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I. Introduction to the Subject:

A commentary of the Carnegie Foundation for the Advancement of Teaching, dated 1976, states: "Higher education in the United States has grown throughout most of its 340 years. Now it faces a quarter of a century of little growth or no growth in enrollments for the first time in history."[1] The span of approximately twenty years between the birth of potential college students and their enrollment in institutions of higher education assures a high degree of certainty in such predictions. The percentage of the newborn children who go to college immediatly after they graduate from high school some eighteen years later should remain fairly constant. Thus, a lower birth rate signals fewer college students in twenty years.

A state land-grant university, such as the Pennsylvania State University, experiences the impact of population trends that are national in scope. Variations due to such factors as changes in the types of institutions potential students choose, state variations from national population trends, and choices by students from outside the state cause some differences that move the impact a year or two ahead or behind. But, the trends for a planning horizion of five to ten years are fairly immutable. See the Appendix for supporting data.

The major product of a state land-grant university is education.[2] Although other aspects might be more newsworthy (eg: football) or consume more intellectual energy (eg: research), education is the sine qua non at Penn State. A projected reduction in numbers of students

1. Carnegie Foundation for the Advancement of Teaching, The States and Higher Education. San Francisco, Jossey-Bass, 1976. p. 5.
2. Morill Act, July 2, 1862. Ch.130, 12 Stat. 503.

signals a reduction in financial resources, which leads to a reduction in activities at colleges and universities. The Pennsylvania State University is facing such a series of reductions. Less activity or fewer activities and less money dictate that fewer personnel are needed. Cutbacks in the number of personnel employed result. A cutback in personnel due to economic exigencies is called a "reduction in force"(RIF).

II. Description of the Function:

Reduction in force planning is shared by the central budget office, the central personnel office and the line agencies. The budget office is involved at the beginning because the cutback needs to be set in financial terms. The central personnel office develops the guidlines for the reduction in force in consultation with the central budget office. The line agencies decide the specific applications within those guidelines. The process is conditioned by the union contract, if one exists. Dismissals resulting from economic exigencies are not appealable through normal channels; they usually end up in court.[3]

Personnel planning "is the process by which management attempts to provide adequate human resourses to acheive organizational goals."[4] This planning requires that decisions on increases and decreases in numbers and types of personnel be based on goals and objectives set by policy over specific time horizons.[5] The administrators of a university need to

3. LaPorte, Robert, Public Administration 575 - Lectures at the Pennsylvania State University, University Park, PA. Dec. 17, 1979.
4. Glueck, W. F., Personnel: a Diagnostic Approach. Dallas, Business Publications, 1974. p. 97.
5. Burack, E. H., "Manpower Planning in the Perspective of the Firm," in Burack, E. H. and J. W. Walker, Manpower Planning and Programming. Boston, Allyn and Bacon, 1976. p. 8.

"maintain excellence, stimulate high motivation in the participants, develop innovative programs, achieve fiscal equilibrium, and continue the viability of the organization."[6]

Reduction in force planning is a problem for administrators who have the responsibility to lead the participants (employees and clients) of the organization into new arrangements within prevailing structures.[7] Unfortunately, the parts of an organization cannot be eliminated by merely reversing the sequence of activities and resource allocation by which they were assembled. "Organizations are organic social wholes with emergent qualities which allow their parts to recombine into intricately interwoven semi-lattices when they are brought together."[8] Straightforwardly stated: organizations are systems with subsystems that are interdependent.

Personnel systems are "components or subsystems of the larger governmental/political system."[9] They include line managers because of their influence on behavior in organizations, individual workers whose rights are involved, unions, executives, legislative bodies, intergovernmental relationships, other organizations, and the general citizenry.[10] All of these components are present in a university with some different names. The legislative body could be the faculty senate. Intergovernmental relationships would be the relationships of the land-grant university with the state government, the general citizenry could

6. Cyert, Richard M., "The Management of Universities of Constant or Decreasing Size." Public Administration Review, vol. 38, no. 4, pp. 344-349. July/August 1978. p.344.
7. Levine, Charles H. "Organizational Decline and Cutback Management." Public Administration Review, vol. 38, no. 4. pp. 316-323. p. 316.
8. Ibid., p. 317
9. Lee, Robert D., Jr., Public Personnel Systems. Baltimore, University Park Press, 1979. p. 9.
10. Ibid., pp. 10-12.

be just that, but also would include the students, who have a special "client" relationship to the university.

Because a university is a system, adjustments to personnel functions must follow systemic rationale to be successful. The employees and students find their identity within specific subsystems of the organization. Central administrators and subsystem administrators are responsible to maintain, stimulate and develop programs and projects necessary to continue the viability of the organization. The adequacy of the human resources for the achievement of organizational goals is a responsibility that the central administrators (executives and budget and personnel officers) share with the subsystem or line officers (deans, division heads, and their financial and personnel officers). In RIF, all personnel functions continue with a reorientation to the reduction, rather than the growth of the personnel force. RIF planning is a personnel planning process that can be evaluated by using universal values, responsibilities and differentiation of personnel systems.

III. Discussion and Analysis of the Data:

To analyze the personnel planning process used at the Pennsylvania State University for reduction in force in anticipation of a reduction in numbers of students during the 1980's data is extracted from "A PERSPECTIVE ON THE '80s; A Plan For The Pennsylvania State University," October 1979, (DRAFT). This source is current and reveals in its substance and form certain salient points of the personnel planning processes at the Pennsylvania State University. To formulate analytical statements questions, based on the readings and lectures of Public Administration 575, Government Manpower Management, are used as prompts. The source is not

a personnel functions report. Rather, it is "an attempt to establish a direction for the Pennsylvania State University as it enters the 1980's."[11] The source claims to not specify details, but reveals general agreements of four task forces under the direction of a steering committee appointed by the President of the University and headed by the Provost. Although the major thrust is general, the personnel functions are indicated clearly enough to allow the depth of analysis possible in a short paper.

QUESTION:

Are the values that have shaped personnel systems in the United States evident? Specifically, ensuring that the people with appropriate experience and skills are hired for available positions; providing services consistent with the land-grant philosophy; increasing employment opportunities and promoting affirmative action; and, rewarding employees for past service?

ANALYSIS:

Values are discussed throughout the source. It is stated that the "basic concern is with knowledge, its preservation, expansion and transmission," and that the "accompanying concern is with the dignity and value of the individual human being."[12] Personnel system values are revealed in discussions of Professional Development and Vitality,[13] Affirmative Action,[14] and Academic Personnel Policies,[15] and Penn State's Land-Grant Heritage,[16] and Responsiveness to Shifts in Demand,[17] and elsewhere.[18] The values selected for analysis are all evident, but there is no attempt to resolve conflicts among these values.

11. "A PERSPECTIVE ON THE '80s; A Plan For The Pennsylvania State University," October 1979, (DRAFT). Transmittal memo: From: Edward D. Eddy (Signed); To: The University Community; Date: October 18, 1979. 1 pg.
12. Ibid., Epilogue, p. 125.
13. Ibid., pp. 60-62.
14. Ibid., p. 63.
15. Ibid., pp 63-68.
16. Ibid., pp. 9-11.
17. Ibid., pp. 72-75.
18. Ibid., pp. 14, 17, 70, 75, 84.

QUESTION:

Are various offices indicated as being responsible for the appropriate aspects of the personnel functions? Specifically, the President for providing overall direction and coordination; the Budget Office for providing financial guidelines; and the academic units and divisions for implementing the reduction in force within the guidelines?

ANALYSIS:

The operations of most of the named offices are evident in the source, though these items are not addressed directly. The Budget Officer of the University is under the Senior Vice President, Finance and Operations and no central personnel office is indicated in the "Administrative Organization, The Pennsylvania State University, July 1, 1977."[19] Personnel planning is closely controlled by the executives (President and Provost) and the line agencies (Deans of the academic units and Heads of divisions) at Penn State, partly because of the academic promotion and tenure processes. The disadvantage of this control is that the employee has no internal agency through which to exercise leverage in dealings with administrators. The President's role is mentioned in the "PREFACE"[20] and the Budget Office is obviously involved in Chapter VI, "THE CHALLENGE OF THE 1980s: RESOURCE REQUIREMENTS."[21] Academic units and divisions are considered in discussions of "MISSIONS"[22] in Chapter II. References to personnel in the "MISSIONS" chapter are scant, and do not indicate any specific details.

QUESTION:

Are different types of personnel considered? Specifically, executive, faculty, paraprofessional, and clerical/technical?

19. Penn State Source Book. University Park, PA, The Pennsylvania State University, 1978. p. IIIA-1.
20. "Perspective." pp. i-iii.
21. Ibid., pp. 88-105.
22. Ibid., pp. 9-35.

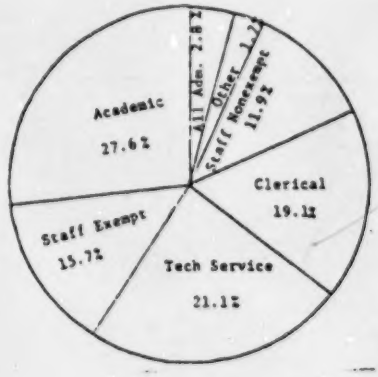
ANALYSIS:

General statements are made on the needs for adjustments in personnel forces at all levels. Adjustments at the executive level are not mentioned specifically, but a direct recommendation to "integrate fully the Commonwealth Campus System and Office of the Vice President for Continuing Education into a single administrative unit,"[23] indicates a potential adjustment. Faculty are mentioned extensively. Staff are referred to in a passive manner. The implication that not much consideration is being given to paraprofessional staff and clerical/technical employees. This seems to be rather less treatment than employees who total in an excess of 67% of the personnel force should receive. See the table and figure[24] below for an illustration of employees by payroll clasification.

Number of Full-Time Employees in Each Payroll Classification
As of June 26, 1978

Payroll Classification	Total
Executive	33
Administrator	60
Academic Administrator	249
Academic	3,380
Staff Exempt	1,929
Staff Nonexempt	1,453
Clerical	2,345
Technical Service	2,592
*Other	209
TOTAL	12,250

*These employees work enough more than half-time to be eligible for a portion of benefits.



23. Ibid., p. 25
24. "Plan for the '80s"n.p., second printing, April 1979. "Report of Task Force III: Faculty and Staff. p. 58.

IV. Discussion of the State of the Art of the Function:

Because of recent economic declines that have adversely affected revenues for the operation of organizations in both the public and private sectors, planning for reduction in force has been widely explored in personnel literature sources. The literature on reduction in force unanimously reports problems of personnel planning being compounded in declining organizations. In addressing the subject almost every author comments that planners in organizations generally assume conditions of growth. Personnel planners "normally" deal with uncertainty by basing objectives on assumptions of organizational constancy and inertia. Rational and humane decisions are made on the basis of evaluations of present conditions and future expectations. The implementation of plans and programs then depend on lead times during which adjustments and adaptations can be made. But, when cutbacks are being made the lead time often disappears, future expectations are indeterminate, the organization may need to change to survive, and the potential of being overstaffed with insufficient funds to pay employees looms.

Although the issues of growth and decline receive little coverage in journal articles, the universally acknowledged change from one to the other provides an occasion for organization theorists and students to offer their ideas and observations to be measured against the experiences of those they hope to influence through their writings. Whether to make cuts or allow reduction by attrition, and what types of cuts to make, are the issues that the executive in an organization must resolve for him/herself. Civil service guidelines may be available (and even required) to circumscribe and direct the personnel officer through the RIF procedure, but the human dilemma in which the entire society is involved which the

specific situation represents cannot be escaped or avoided. The press might report the effects of the action and future studies might evaluate it, but the dynamics of the initiation, application and completion of the process requires human effort. Hopefully, the effort will be backed by appropriate training and humane values. It is a solid principle that the purpose of personnel management is "to achieve the effective use and fair treatment of employees for the efficient and effective accomplishment of organizational objectives."[25]

Richard M. Cyert emphasizes the need for good management practices highlighted by stategic planning and conflict resolution.[26] Charles H. Levine reviews causes and strategy.[27] Robert F. Rudary and J. Garrett Ralls, Jr. consider contingencies using examples based on a survey of companies.[28] They begin their article with the admission that "little research has been conducted on manpower planning during reduction-in-force (RIF) situations."[29] The U. S. Civil Service Commission documents the mechanics of RIF in sources exemplified by "Fed Facts 13."[30]

The news media reports of RIF situations reveal the human concern for people loosing their jobs and fewer clients receiving less service. Extreme actions, such as are reported in the case of Edinboro State College, where a newly appointed president eliminated 50 faculty and

25. Committee for Economic Development, Improving Management of the Public Work Force. New York, The Committee, 1978. 138 p. p. 50.
26. Cyert, pp. 345-348.
27. Levine, pp. 318-322.
28. Rudary, Robert F. and J. Garrett Ralls, Jr., "Manpower Planning for Reduction-in-Force." University of Michigan Business Review, vol. 30, no. 6, pp. 1-7.
29. Ibid., p. 1.
30. U. S. Civil Service Commission. "Fed Facts 13, on Reduction in Force in Federal Agencies." Washington, D. C., The Commission, April 1, 1977. 8 p.

eight administrative positions.[31] A much to be preferred method is illustrated by the New York State job cut where attrition is being used to meet mandated personnel cuts.[32]

V. Conclusion and Recommendations:

To avoid the reactions caused by hasty personnel decisions, planning is a necessity. Although specific circumstances vary from one organization to another and from one time to another for each organization, the formulation of plans and their continued revision and updating are indispensible activities for organization executives. Larger organizations, such as the Pennsylvania State University, can have departments with especially trained staff to provide planning data and analyses. Smaller organizations need leaders with the ability to plan well in whatever manner they might be able. Penn State seems to be taking the appropriate steps in a realistic time frame. The use of faculty on the task forces and the solicitation of faculty and staff responses to the reports allows the idea that reductions will be made to be established without making the executives appear to be creating the crisis. The real issues of successful identification and implementation of the steps necessary to adjust the University to the changing circumstances are yet to be addressed.

31. The Chronicle of Higher Education. September 17, 1979, p. 5, col. 1.; and November 26, 1979, p. 25, col. 2.
32. The New York Times. December 11, 1979, p. 1, col. 2.

APPENDIX

Live births - total and rate, 1960 to 1975

	Number (1,000's)				Rate per 1,000 population			
	1960	1965	1970	1975	1960	1965	1970	1975
U.S.	4,258	3,760	3,731	3,144	23.7	19.4	18.4	14.0
PA	241	205	193	149	21.1	17.8	16.3	12.6

Source: U.S. National Center for Health Statistics,
Vital Statistics of the United States

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Population change, 1960-1970 and 1970-1977

	April 1, 1960 to April 1, 1970			April 1, 1970 to July 1, 1977		
	Net change		Births	Net change		Births
	Number (1,000's)	Percent	(1,000's)	Number (1,000's)	Percent	(1,000's)
U.S.	23,912	13.3	39,033	13,027	6.4	23,870
PA	475	4.2	1,252	(-)16	(-).1	1,168

Source: U. S. Bureau of the Census,
Current Population Reports, series P-25

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Number of public and non-public high school graduates, 1967-1977

U.S. 3,146,719

PA 189,600 (estimated by reporting state)

Source: U.S. Department of Health, Education and Welfare,
National Center for Education Statistics,
Statistics of Public Elementary and Secondary Day Schools, Fall 1977.

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Percent high school graduates, 1976

	Total	18-24 years	
		Male	Female
U.S.	66.6	78.2	79.7
PA	64.8	83.0	85.3

Source: U.S. Bureau of the Census,
Statistical Abstract of the United States, 1978, pg. 146

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U.S. high school graduates during 1977

Enrolled in college as of October 1977: 50.6%

Not enrolled in college as of October 1977: 49.4%

Source: U.S. Department of Labor, Bureau of Labor Statistics,
Special Labor Force Report No. 215,
Students, Graduates, and Dropouts in the Labor Market, October, 1977

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